

Regular Session, 2012

SENATE BILL NO. 120

BY SENATOR MILLS

BANKS/BANKING. Provides relative to qualified appraisals of immovable property acquired by a bank from a failed or failing bank. (8/1/12)

1 AN ACT

2 To amend and reenact R.S. 6:243(B)(4) and (C), relative to state banks; to provide for assets  
3 acquired by a bank from a failed or failing bank; to increase the amount property  
4 must be valued from one hundred thousand to two hundred fifty thousand dollars  
5 before a qualified appraisal on property is annually required; and to provide for  
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 6:243(B)(4) and (C) are hereby amended and reenacted to read as  
9 follows:

10 §243. Immovable property; dealings

11 \* \* \*

12 B. \* \* \*

13 (4) A bank which acquires the assets of a failed or failing bank shall be  
14 allowed ten years from the date it acquires the immovable property of the failed or  
15 failing bank within which to divest itself of such property. A qualified appraisal shall  
16 be obtained annually, as provided in Paragraph (2) of this Subsection, for each item  
17 of property having a value in excess of ~~one hundred~~ **two hundred fifty** thousand

1 dollars. A bank shall establish the anniversary date to be the original acquisition date  
2 of the other immovable property as determined by the failed or failing institution or  
3 the date the bank acquires the other immovable property of the failed or failing  
4 institution. Once the anniversary date has been established, that date will remain as  
5 such for as long as the property is held by the bank.

6 \* \* \*

7 ~~C. [Repealed by Acts 1999, No. 860, §3.]~~

8 ~~D.(1)~~ **C.(1)** A state bank may hold immovable property in perpetuity, exempt  
9 from the divestiture requirements of this Section, if all of the following conditions  
10 are met:

11 (a) The property is not being operated by the financial institution as an  
12 ongoing business.

13 (b) The property has been written down to the value of one dollar on the  
14 books of the bank.

15 (c) The property has been transferred into a subsidiary of the bank.

16 (2) Property held in perpetuity subject to Paragraph (1) of this Subsection  
17 shall also be exempt from the requirement for appraisal contained in Paragraph B(2)  
18 of this Section.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Michelle Ducharme.

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#### DIGEST

Present law provides that when a bank acquires assets of a failed or failing bank, the bank shall be allowed ten years from the date it acquires the immovable property of the failed or failing bank within which to divest itself of such property.

Present law requires that a qualified appraisal be obtained annually for each item of property having a value in excess of \$100,000.

Proposed law increases the amount property must be valued from \$100,000 to \$250,000 before a qualified appraisal must be obtained annually of such property.

Effective August 1, 2012.

(Amends R.S. 6:243(B)(4) and (C))